

GUIDELINES FOR GRANTING OPTIONAL PAY ADJUSTMENTS

Optional Pay Adjustments may be granted for the following four reasons only:

1. To provide for the retention of an employee whose loss would be detrimental to the agency,
2. To adjust pay differentials between comparable employees,
3. To recruit employees into difficult to fill positions,
4. To compensate employees for performing additional duties of either a permanent or temporary nature.

Adjustments for reasons #1, #2 and #3 above may be up to 10% and may be either a lump sum or a permanent, base pay adjustment, depending upon the circumstance and agency policy.

Adjustments for reason #4, additional duties, have stricter limitations. Agencies may make adjustments of up to 5%, either lump sum or permanent, for additional duties for employees who are below the administrative level. The Civil Service Commission must approve adjustments of greater than 5% (up to 10%) for these employees. Agencies must request approval of the Civil Service Commission for any adjustment for additional duties for employees whose level of work on the Civil Service job description is administrator or higher.

Optional Pay Adjustments are limited to permanent employees. An Optional Pay Adjustment may be either a lump sum or a base pay adjustment. The adjustment is limited to 10% of the employee's base salary within a fiscal year. An employee may receive more than one adjustment in a fiscal year as long as the total does not exceed 10%. For instance, an employee may be granted a 5% adjustment to match a job offer and receive another 5% lump sum adjustment for performing temporary additional duties.

An agency must have a Civil Service Commission approved policy before granting any adjustments. The policy must cover the circumstances of any increases given. The following information describes many circumstances of when an increase may be given and how it may be given. This does not give you the authority to implement such increases unless it is allowed in your policy.

Employees who are at range maximum cannot receive a base pay increase; they are only eligible for a lump sum increase. Employees who are at range maximum cannot receive a lump sum increase in consecutive years even if the reasons for the adjustment are different.

When deciding whether to grant an Optional Pay Adjustment, you should consider the following:

To provide for the retention of an employee whose loss would be detrimental to the agency.

Granting adjustments under this option are fairly cut and dried. The job offer must be from either a private employer, a non-state governmental entity, or it may be an unclassified position as long as the agency policy allows for either option. Either an employee has a valid job offer, or he does not. The agency must verify the job offer before granting the award. In some cases, it may not be possible for the employee to obtain a written job offer. In those rare cases if the agency is able to verify the job offer and salary offer by telephone, it is permissible to grant an adjustment as long as the agency policy allows for such situations. If an employee has a written job offer that is more than 10%, the agency may give the employee 10% under their Optional Pay policy and request a 6.16(c) from the Commission for the amount over 10%. Civil Service must have written verification of the job offer (see General Circular #1461).

To adjust pay differentials between comparable employees.

Sometimes the mechanics of the pay plan and the implementation of various Civil Service rules cause compression of pay rates of employees. There is no Civil Service Rule that says that an employee who either has more state service than another employee or is in a higher position than another employee must have a higher pay rate than said employee. However, if there are salary compression problems, an agency may want to address them under this rule. Consideration should be given to length of service. It is perfectly logical that a 20-year employee in a journeyman position will be at a higher pay rate than a supervisor with just 7 years of service. However, if the supervisor has 20 years of experience and makes less than the journeyman with 7 years of experience, you may want to give an increase to the supervisor.

In granting adjustments in these instances you should consider the length of service of the employee(s), the proximity of the positions and what affect granting the increase will have on other employees.

To recruit employees into difficult to fill positions.

Payments made under this option are used the least by most agencies. DOTD has adopted a policy whereby the agency annually reviews turnover and recruiting statistics for shortage category jobs, jobs with SERs, and jobs with fewer than five applicants available. Based upon findings, DOTD may establish an Optional Pay adjustment of 10% to employees hired into these jobs upon attainment of permanent status. DOTD also, in order to recruit existing departmental employees into critical vacancies, may internally post jobs with a statement that advises permanent employees that either a 10% lump-sum bonus or a 10% permanent base pay adjustment (not to exceed range maximum) may be granted to the selected candidate, provided the employee commits to the job for a

minimum of one year. This adjustment would be granted in addition to any monies received through promotional pay. The request must include justification for the request (i.e., critical operations hindered or shut down, responses to prior internal postings produced no suitable candidates, undesirable work location or conditions, etc.). For a complete copy of the DOTD policy, please see their website (dotd.state.la.us). Payments made under this option should be restricted to those areas with the highest turnover and the most recruiting difficulties.

To compensate employees for performing additional duties of either a permanent or temporary nature.

Payments made under this option are, by far, the most difficult to address. This option can indeed become a “slippery slope” which can lead to abuse if an agency is not careful. There are three major decisions to make in regard to this type of adjustment; should the adjustment be granted, how much should the increase be and how should be payment be made.

In deciding whether or not the increase should be granted, you should consider the following:

Will the additional duties require the employee to acquire new skills or competencies? If the employee can perform the duties without having to learn new skills or competencies an adjustment should probably not be granted.

Are there some duties that will be taken away from the employee to make room for the new duties, or, are the duties truly in addition to all that the employee is currently assigned?

Do the duties result from the natural evolution of the job? All jobs change over time as technology and programs change. New technology and/or new programs do not necessarily equate to a more difficult job. Volume also fluctuates in jobs.

Are the duties at a level equivalent to or lower than the employee’s current job? If the duties are either equivalent to or lower than the employee’s current job you should be extremely careful about granting an increase. Almost all employees are asked at some point in their career to take on duties at an equivalent or lower level. Should you really pay an employee to take on duties that are at an equivalent or lower level?

Are the duties at a higher level than the employee’s current job? If so, you should make sure that the employee should not be reallocated. If the duties are at a higher level, but not enough to justify a reallocation, you may want to consider granting an adjustment (after giving consideration to the questions above).

What is the level of the employee for whom the adjustment is being requested? Payment for additional duties for employees who are in executive and administrative jobs should be examined very closely. For most employees at this level the job entails doing whatever is necessary to administer the section/program/etc. It is the job of executives and administrators to come up with innovations and implement them.

When deciding the amount of an adjustment, you should consider the following:

If the additional duties are not enough to warrant a reallocation, why should the payment be 7% or higher (equal to a reallocation)? It is more appropriate to make adjustments of 1% - 3% for duties at the same or a lower level and of 4% - 5% for duties at a higher level. It is only in rare cases that adjustments for additional duties should be from 6% - 10%. The Civil Service Commission must approve payments at this level. You must submit an Optional Pay Adjustment Questionnaire with your request (see page 13). Any payments, regardless of the amount, for employees who have a level of work of administrator or higher must be approved by the Commission. You must submit an Optional Pay Adjustment Questionnaire with the request.

When deciding how the payment should be made, you should consider the following:

Base pay adjustments are reserved for permanent duty changes only. However, employees at range maximum may only receive a lump sum.

There are two ways to pay for temporary duties, a one-time lump sum payment or a lump sum payment spread out over the length of the project in bi-weekly payments. A one-time lump sum can be an incentive to an employee to stay and finish a project. If the payment is not made until the project is finished, and the employee has either quit working on the project or left the position, the employee will not get paid. This can be a cost saver for the agency. One-time payments also require less payroll processing.

Bi-weekly lump sum payments spread out over the length of the project may be more feasible for projects of over six months. A payment of this type will entail more payroll processing. The employee must be made aware of the fact of the temporary nature of this type of increase. Your policy must reflect however you decide to make payments.

FREQUENTLY ASKED QUESTIONS

- ❖ Can a probational employee receive an Optional Pay Adjustment? No.
- ❖ Can an employee who is at range maximum receive a permanent (base pay) adjustment? No.
- ❖ Can an employee who is at range maximum and is assigned permanent duties receive a lump sum Optional Pay Adjustment in consecutive years? No.
- ❖ If an employee who is at range maximum is assigned temporary duties that last more than one year, can the employee received a lump sum adjustment in consecutive years? No.
- ❖ An employee is at range maximum and receives a lump sum adjustment for permanent duties; the next year, there is a structure adjustment and the maximum is raised. Can the employee then receive a base pay adjustment? No.
- ❖ An employee is at range maximum and receives a lump sum adjustment for temporary duties; the next year, there is a structure adjustment and the maximum is raised. Can the employee then receive another lump sum adjustment? No.
- ❖ An employee who is below maximum receives a lump sum increase for temporary duties. The duties last longer than one year. Can the employee receive a lump sum in consecutive years? Yes. However, the situation should be reviewed on a yearly basis.
- ❖ Can an employee receive a base pay increase for temporary duties? No.
- ❖ How many increases can an employee receive in a fiscal year? There is no limit to the number of increases given; however, the amount of the increases must not total more than 10% in a fiscal year.
- ❖ Can an employee receive a base pay increase that is over the maximum of the range? No.
- ❖ An employee who is 7% from maximum is eligible for a 10% increase to match a job offer. Can you give the employee 7% in his base pay and a 3% lump sum? Yes.
- ❖ Can you give a lump sum for permanently assigned duties to someone who is not at their maximum? Yes, as long as it is allowed in your policy.

- ❖ Do I have to fill out the Optional Pay Adjustment Questionnaire for an adjustment that does not require Civil Service Commission approval? No, but it recommended that it be used (especially for additional duties).
- ❖ An administrator has received a job offer. It will take 8% to match the job offer. Does this have to have Commission approval? No, only payments for additional duties for administrators or higher need to come to the Commission.
- ❖ A supervisor's pay is less than his subordinate. The subordinate has less state service than the supervisor. It will take 6% to relieve the compression. Does this have to have Commission approval? No, only additional duty payments over 5% need Commission approval.
- ❖ Should you pay for temporary duties in one lump sum after the duties have ended or should you make temporary payments on a bi-weekly basis? This needs to be decided on a case-by-case basis or as your policy dictates.
- ❖ Can you give optional pay to someone on detail if the reasons for the optional pay are totally different for the reasons for the detail? Yes. For instance, an employee may receive a bona fide job offer; an increase can be given in the home position. In rare cases, an employee may have additional duties in the detail job for which he would be entitled to an increase. Be very careful in these situations.

STATE OF LOUISIANA
DEPARTMENT OF _____

Effective: _____

Revised: _____

SAMPLE OPTIONAL PAY ADJUSTMENT POLICY

POLICY

Effective _____, the Department of _____ will implement the following policy concerning Civil Service Rule 6.16.2 Optional Pay Adjustment.

APPLICABILITY

All increases granted according to this policy and Rule 6.16.2 will be restricted to full-time permanent classified employees of the Department of _____.

All increases of above 5% for additional duties must receive approval from the Civil Service Commission before implementation.

All payments for additional duties for employees whose level of work on their Civil Service Job Description is administrator or higher must be approved by the Civil Service Commission before implementation.

IMPLEMENTATION

This policy becomes effective upon the date approved by the Civil Service Commission. Subsequent revisions shall become effective on the date the revisions are approved by the Civil Service Commission.

DEFINITIONS (optional)

N/A

PROVISIONS

Provided that funding is available, the Department of _____ will consider granting either base pay or lump sum adjustments to employees in the following circumstances:

1. To provide for the retention of employees deemed essential to the department.

Employees judged by the Secretary to be essential to the department may receive a base pay increase of up to the maximum amount allowed by Civil Service in order to match a written and verified salary offer from a private employer, an unclassified position in State service, or a position at a non-state governmental entity. Employees who are at range maximum may receive a one-time lump sum payment only.

2. To adjust pay differentials between comparable employees.

The Secretary may grant a base pay increase of up to the maximum amount allowed by Civil Service to an employee whose pay is affected by an increase given to other employees in either the same job series or supervisory chain. Such increases will be limited to compression caused by those instances where the implementation of either Civil Service Rule 6.5(b), 6.5(g), the implementation of a structure adjustment, or similar circumstance caused the pay discrepancy. Employees at range maximum will not be eligible for an increase.

3. To recruit employees with difficult to recruit for jobs.

The Secretary may grant a base pay increase of up to the maximum allowed by Civil Service to a classified State employee in addition to any other compensation granted under Civil Service Rule 6.7 in order to attract said employee into a difficult to recruit for job. Employees at range maximum may receive a one-time lump sum only.

4. To provide compensation for employees who perform additional duties.

The Secretary may grant a base pay increase of up to 5% to an employee who is assigned additional duties on a permanent basis. Such permanent duties shall be documented on an official position description. Employees at range maximum who are assigned additional permanent duties may receive a one-time lump sum of up to 5%. The Secretary may request approval from the Civil Service Commission for payments over 5% for employees who are assigned additional duties on a permanent basis.

The Secretary may request approval from the Civil Service Commission for payments up to 10% for employees with a level of work of administrator or higher on their Civil Service Job Description who receive permanent additional duties.

Employees who are assigned additional duties for a limited time period may receive a lump sum of up to 5% of their base pay for such duties. Payment of such a lump sum may be made in one payment at the end of the duration of the duties or may be spread among pay periods for the duration of the assignment for a period not to exceed one year. If the duration of the

assignment exceeds one year, a request for payment must be resubmitted to the Secretary for approval.

Employees at range maximum who are assigned additional temporary duties may receive a one-time lump sum payment of up to 5% of their base pay. Payment of the lump sum may be made either at the end of the duration of the duties or may be spread among pay periods for the duration of the assignment for a period not to exceed one year. The Secretary may request approval from the Civil Service Commission for payments over 5% for employees who are assigned temporary additional duties.

The Secretary may request approval from the Civil Service Commission for payments up to 10% for employees with a level of work of administrator or higher on their Civil Service Job Description who receive temporary additional duties.

No employee shall be eligible for either a lump sum or base pay increase for additional duties which were compensated according to another Civil Service Rule.

In order to be eligible for payment, the additional duties assigned should require that the employee possess new skills or competencies.

An Optional Pay Adjustment Questionnaire for Additional Duties must be completed for all requests for payment for permanent or temporary additional duties.

All requests for application of this rule must be submitted to the Secretary with a memorandum of justification.

No employee shall receive more than the maximum amount approved by Civil Service within a fiscal year.

This policy shall be posted at the Department of _____ main office as well as the departmental intranet. A listing of all employees who receive increases according to this rule shall be posted in the same manner.

OPTIONAL PAY ADJUSTMENT QUESTIONNAIRE
FOR ADDITIONAL DUTIES

Employee Name:

Job Title (if the employee is on detail, please include both the detail position and the home position):

Level of Work on Job Specification:

Pay Level/Range:

Department:

Agency/Division:

Employee Number:

Employee's Salary:

Percent Adjustment Requested:

Type of Adjustment: Lump Sum, Temporary or Base Pay

Effective Date – normally the effective date should be the date of the Commission meeting. If you are requesting a date other than the Commission date, it should be set within the parameters established in the HR Newsletter entitled Donations and Pay issued by Robert Boland on 2-11-04 (this newsletter can be found on our website under HR Reference). Requested Effective Date:

1. What are the additional duties?
2. Has the job description been updated?
3. Were any duties removed to facilitate this new duty? If so, which ones?
4. Is(Are) the duty(ies) permanent or temporary?
5. What percentage of time are the additional duties allocated?

6. Would you consider the duties to be lower, higher, or the same level as the duties performed in the current job? This answer may include an assessment from the employee's manager, but must include HR's assessment if a delegated agency.
7. Does this result in some savings for the agency? If so, how? What are the projected dollar savings?
8. Will the employee have to learn new skills and/or competencies? If so, please explain.
9. Many jobs evolve over time, due to procedural differences and technology changes, mostly. For example, secretaries have historically produced correspondence for their bosses. As recently as fifteen years ago, this was mostly done with a typewriter. Today, however, typewriters are essentially obsolete. A secretary is still a secretary, regardless of the method used to produce correspondence. With that example in mind, how are these duties different from a natural evolution of the job?
10. If this request is for an adjustment of over 5%, what is your rational business reason for requesting a higher amount?
11. If this request is for an employee who is an administrator or higher, please describe how these duties are outside of the scope of the position.
12. Has the employee received an Optional Pay increase before? If so, please list dates and reasons.
13. If the employee is not an Administrator, has the agency made all allowable payments under the agency policy?